

NOV 19 1997

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

State Petitions For Extension of Time
on Forward-Looking Economic Cost Studies

)
)
)
)
)

CC Docket No. 97-160
CC Docket No. 96-45
DA 97-2329

COMMENTS

MCI TELECOMMUNICATIONS CORPORATION

Mary J. Sisak
Mary L. Brown
1801 Pennsylvania Ave., N.W.
Washington, DC 20006
(202) 887-2605

Its Attorneys

Dated: November 19, 1997

RECEIVED

NOV 19 1997

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

In the Matter of

**State Petitions For Extension of Time
on Forward-Looking Economic Cost Studies**

)
)
)
)
)

**CC Docket No. 97-160
CC Docket No. 96-45
DA 97-2329**

COMMENTS

MCI Telecommunications Corporation (MCI) hereby comments on the requests for an extension of time to file state universal service cost models filed by the Nebraska Public Service Commission (Nebraska PSC), the Tennessee Regulatory Authority (TRA), the Public Service Commission of Nevada (Nevada PSC), the Maine Public Utilities Commission (Maine PUC), and the National Association of Regulatory Utility Commissioners (NARUC).

MCI does not oppose the extension requests of the Nebraska PSC, the TRA, the Nevada PSC, and the Maine PUC. Each of these states represents that it has a pending proceeding to determine the appropriate universal service cost model and that an extension of the February 6, 1998, date for filing cost models at the Commission may be needed to complete the proceeding. Accordingly, the Nebraska PSC, Maine PUC and Nevada PSC request an extension until May 6, 1998, and the TRA requests an extension until June 6, 1998 to file their cost models at the Commission.

Although MCI does not oppose these requests, it is concerned that any delay in the filing of state cost models could endanger the ability of the Commission to review and approve the state models in time for them to be used to determine high cost universal service support for non-rural LECs effective January 1, 1999. The use of a forward-looking cost model to determine universal service support is central to the Commission's goal of determining the amount of universal service subsidy needed and making that subsidy explicit and, therefore, there should be no delay in determining support based on the model. Thus, any extension granted to the states should be with the condition that if the state model has not been approved, support for 1999 will be based on the federal model.

With respect to NARUC's request for an extension until September 1, 1998, for all states to file their universal service cost models at the Commission, MCI believes it would be virtually impossible for interested parties and the Commission meaningfully to review state models and for the Commission to approve the models by January 1, 1999, if the models are filed any later than June 6, 1998. The result of a longer extension, therefore, could be a further delay in determining universal service support based on forward looking economic cost and the continuation of implicit universal service subsidies. Accordingly, the Commission should limit any extension granted to June 6, 1998. In addition, the Commission should find that if a state's model is not approved by January 1, 1999, federal universal service for that state will be computed using the federal model for 1999.

Based on the foregoing, MCI respectfully requests that the Commission not grant any extensions to file state cost models beyond June 6, 1998 and condition any extensions given as specified herein.

Respectfully submitted,

MCI TELECOMMUNICATIONS CORPORATION

By:

A handwritten signature in cursive script, appearing to read "Mary J. Sisak", is written over a horizontal line.

Mary J. Sisak

Mary L. Brown

1801 Pennsylvania Ave., N.W.

Washington, DC 20006

(202) 887-2605

Dated: November 19, 1997

CERTIFICATE OF SERVICE

I, John E. Ferguson III, do hereby certify that copies of the comments of MCI in the matter of State Petitions For Extension of Time on Forward-Looking Economic Cost Studies were sent, on this 19th day of November, 1997, via first-class Mail, postage pre-paid, to the following:

Debbie Byrd**
Universal Service Branch
Accounting and Audits Division
Common Carrier Bureau
2100 M Street, N.W., 8th Floor
Washington, D.C. 20554

Michael L. Melner
Public Service Commission of Nevada
727 Fairview Drive
Carson City, NV 89710

Charles D. Gray
James Bradford Ramsay
NARUC
1100 Pennsylvania Avenue, Suite 608
P.O. Box 684
Washington, D.C. 20044

Lynn Greer
Sara Kyle
Melvin Malone
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Rod Johnson
Nebraska Public Service Commission
300 The Atrium, 1200 N Street
Lincoln, NB 68508

Trina M. Bragdon
Joel Shifman
Dennis L. Keschl
State of Maine Public Utilities Commission
242 State Street
18 State House Station
Augusta, ME 04333-0018


John E. Ferguson III
***HAND DELIVERED**